



November 10, 2015

Stacy L. Ruble
Secretary
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Re: Docket Nos. R2012-8 and MC2012-4

Pursuant to Order No. 1448 in Docket Nos. MC2012-14 and R2012-8, the United States Postal Service ("USPS" or "Postal Service") presents its Data Collection Report on Valassis Solutions, Valassis Direct Mail, Inc.'s Negotiated Service Agreement ("NSA") with USPS.

Respectfully,

Valerie J. Pelton
Attorney



**VALASSIS SOLUTIONS NEGOTIATED SERVICE AGREEMENT
DATA COLLECTION REPORT
September 2014 – August 2015**

INTRODUCTION:

Pursuant to Order No. 1448 in Docket Nos. MC201-14 and R2012-8, the United States Postal Service ("Postal Service") presents its Data Collection Report ("DCR") on the Valassis Solutions, Valassis Direct Mail, Inc.'s Negotiated Service Agreement ("NSA") with the Postal Service. Valassis NSA-related operations began in each of the following markets in May 2013: Atlanta, GA; Phoenix, AZ; and Washington, DC. Valassis ceased NSA-related operations in Atlanta, GA in August 2013. Valassis ceased NSA-related operations in Phoenix, AZ and Washington, DC in December 2013. No Valassis NSA-related operations are in effect at present in any markets and there are no plans to resume mailing this product in 2015.¹

DATA COLLECTION REPORT:

1. Valassis Solutions' volumes entered by qualifying price category for the preceding contract year.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

2. Valassis Solutions' postage paid by qualifying price category for the preceding contract year.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

3. The rebate paid to and/or penalty paid by Valassis Solutions (if any) and the calculations underlying their determination.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

¹ Docket No. ACR2014, Responses of the United States Postal Service to Questions 1-2 Of Chairman's Information Request No. 10 (Feb. 27, 2015) at 2.



4. The volume and payment paid by Valassis Solutions (if any) for any mailings identified in violation of the terms for the migration of USPS solo mail into the package detailed in the agreement.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

5. The calculations used to determine the rebate prices for the 6.5 to 9 ounce and 9 to 11 ounce increments, adjusted by an amount equal to the percentage price change for Standard Mail Saturation Flats, provided that the resulting percentage rebates remain in the range of 22 percent to 34 percent.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

6. An estimate of the Valassis Solutions NSA costs for each market where the Valassis Solutions NSA is operational.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

7. An analysis of the impact of the Valassis Solutions NSA on TMC mailings for each market where the Valassis Solutions NSA is operational.

As there were no NSA-related operations in 2014 to present, there is nothing to report.

8. A summary of the data collected during the quarterly audits to assess diversion of volume.

As there were no NSA-related operations in 2014 to present, there is nothing to report. As noted in our response to CHIR No. 10 (Docket No. ACR2014), Valassis did not mail any pieces eligible for contract prices in FY 2014. No transaction fees were incurred in FY 2014. Although Valassis did mail 2,000,000 pieces of Standard Mail in FY2013 for which the Postal Service received \$301,693 in postage, these pieces did not qualify as eligible mail under the NSA.

9. Information regarding the payment by Valassis Solutions of the \$100,000 transaction fee/penalty.

As there were no NSA-related operations in Agreement Year 1, mail pieces eligible for contract prices did not reach the threshold of 1 million pieces to avoid a \$100,000 transaction fee/penalty. Valassis paid the \$100,000 NSA transaction fee/penalty on September 21, 2015.